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HEARING BEFORE THE SENATE COMMITTEE
ON COMMERCE, SCIENCE AND TRANSPORTATION

WRITTEN TESTIMONY OF ROSS GREENBURG,
PRESIDENT OF HBO SPORTS

Good afternoon Mr. Chairman and Senators. My name is Ross Greenburg and I am President of HBO Sports. I am here today to express HBO's support for the bill originally proposed by Senators McCain and Dorgan for submission in 2002, then titled S. 2550, the Professional Boxing Amendments Act of 2002.

HBO is the world's leading telecaster of professional boxing matches. Over the last 30 years we have televised some of the most exciting and memorable boxing events in history. These events remind us, that at its best, this sport can produce an unparalleled level of drama, competitiveness and heroism. Having been a Producer and Executive Producer for HBO Sports for 22 years, I had the privilege of being in the HBO production truck for many of these events, helping to bring the excitement and drama to our viewers.

Boxing also is a very significant part of the overall programming package HBO offers to our subscribers. Indeed, boxing is one of the most important reasons many of our subscribers sign up for HBO. Since we are a monthly subscription service, we must continuously satisfy our subscribers and appeal to potential subscribers by offering the best and most compelling programming possible. This would include programming such

as the award-winning mini-series, Band of Brothers, the critically acclaimed series, The Sopranos, movies, documentaries, concerts and sporting events. Accordingly, HBO pays millions of dollars in license fees in order to enable our subscribers to consistently watch the best boxers in the world participate in the most exciting and competitive fights.

Because we are deeply committed to boxing, both on an emotional and business level, HBO has long been a leader in attempting to develop ways to improve the sport. Boxers for far too long have been exploited by unfair and coercive practices and have had their health, safety and economic well-being treated as an afterthought. Questionable ratings of fighters and questionable decisions have too often deprived deserving fighters of their due and have caused many in the public to turn away from the sport. For these reasons, HBO was an early and vocal supporter of the Professional Boxing Safety Act of 1996 and the Muhammad Ali Boxing Reform Act of 2000.

Likewise, we support S. 2550. We believe that the best way to ensure uniform adherence to the standards set forth in the existing federal legislation is through the development of a national oversight body with enforcement power. It is only through a body with such far-reaching power that problems which have long plagued boxing, such as physical and economic exploitation of boxers, conflicts of interest, questionable judging and suspect rankings by certain sanctioning organizations finally can be effectively addressed.

We also support S. 2550's articulation of a functionality test in its definition of "promoter". We agree that any entity which in fact has a promotional agreement with a boxer and which in fact is primarily responsible for organizing and promoting a boxing

match should be subject to the provisions of the Act, whether that entity be a television network, a casino or a sponsor. Under those circumstances, it would be entirely appropriate, to the extent that a company has assumed the role and the related functions which have been the source of the coercive and unfair practices which this legislation seeks to curtail, to regulate those functions of the company.

However, it would be patently unfair and wrong to, as some have suggested, define and regulate telecasters that televise boxing matches as "promoters" per se, whether such telecasters are subscription programming services like HBO, broadcast networks like NBC or cable networks like ESPN. Likewise, it would be wrong to so define and regulate other entities, such as casinos, which may play a significant role in a boxing match, including being a major source of revenue, but do not act as the promoter for the match. The view that television networks should be regulated as if they were promoters reflects a misperception that the television industry and boxing promoters perform roughly the same function and have similar relationships with and economic power over boxers. This simply is untrue.

Telecasters are not in a position to and do not engage in the coercive and unfair practices at issue here. Telecasters have not made exorbitant profits at a fighter's expense, hidden revenues from a fighter or used surrogates to double dip from a fighter. Television executives have not created abhorrent conflicts of interest by having their fathers, brothers, stepsons or agents serve as a fighter's manager. Telecasters do not enter into contracts with fighters, which have indefinite terms and minimal obligations. Telecasters do not have symbiotic relationships with sanctioning organizations and have

not influenced rankings. Telecasters do not have close working relationships with judges and are not in a position to influence judges by arranging for their travel, accommodations and expenses or by having the power to give them lucrative assignments.

Rather, telecasters purchase the rights to televise fights from the promoter and then televise those fights. In contrast, a promoter controls and arranges all aspects of a boxing match, including all revenue streams and expenses, all sanctioning and the travel, tickets, accommodations and per diem for the fighters, their associates and other officials. A boxing match cannot take place without a promoter. On the other hand, most boxing matches are not televised, particularly those involving boxers who are the least well-known and most vulnerable to exploitation. Because of such total control, a promoter has a unique opportunity to exploit and coerce boxers and engage in other inappropriate conduct and is the proper subject of regulation.

Some have argued that HBO should be regulated because it pays large license fees and sometimes enters into exclusive multi-fight agreements. They also argue that because HBO attempts to use the power of the purse to purchase television rights to the fights it wants to televise, it somehow is exercising undue influence. These arguments defy logic. There is nothing unequal, coercive or unfair about this process. Fighters and their promoters willingly and eagerly enter into multi-fight agreements with HBO and accept HBO's top of the market license fees. HBO's multi-fight agreements involve only the very best, most well known boxers who, with their promoters, possess substantial market value and negotiating power. Also, let's not forget that the promoter and fighter

will take the HBO license fee and then pool that money with site, sponsorship and foreign revenue to increase the moneys available for the entire promotion. It would turn free market principles on their head to subject telecasters like HBO to regulation merely because as the result of arms-length bargaining, they enter into agreements to pay large, fixed license fees in exchange for the exclusive rights to televise a boxer's matches over a fixed period of time. HBO's offering large license fees to a promoter to purchase the television rights to a boxing match between two top fighters is no different than a network offering large fees to purchase the television rights to a tennis match or golf match. To draw another analogy, when television networks pay billions of dollars in rights fees to the NFL, the disbursement of such revenues, along with all other revenues, to the teams and the players, is covered by agreements and rules between the league, the teams and the players. No one would suggest that the networks too should be a regulated part of this process simply because they contribute large amounts to the revenue pool.

In conclusion, we believe that the legislation enacted over the last several years, together with legislation like S. 2550, can dramatically improve the sport of boxing for its fans and most importantly for the fighters, both well-known and unknown, who have been ignored and exploited for too long. Thank you.